

**UNITED STATES OF AMERICA
CONSUMER PRODUCT SAFETY COMMISSION**

In the matter of:)
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RAYNOR MARKETING, LTD.)
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CPSC Docket No.: 11-C0003

SETTLEMENT AGREEMENT

1. In accordance with 16 C.F.R. 1118.20, Raynor Marketing, Ltd. and the staff (“Staff”) of the United States Consumer Product Safety Commission (“Commission”) hereby enter into this Settlement Agreement (“Agreement”) under the Consumer Product Safety Act (“CPSA”). The Agreement and the incorporated attached Order resolve the Staff’s allegations set forth below.

THE PARTIES

2. The Staff is the staff of the Consumer Product Safety Commission, an independent federal regulatory agency established pursuant to, and responsible for the enforcement of, the CPSA, 15 U.S.C. §§ 2051-2089.

3. Raynor Marketing, Ltd. (“Raynor”) is a corporation organized and existing under the laws of the State of New York, with its principal corporate office located in West Hempstead, New York.

STAFF ALLEGATIONS

4. Between May 2006 and March 2009, Raynor imported and distributed approximately one hundred fifty thousand (150,000) of the subject office chairs (the "Chairs") marketed under the brand names "Quantum Realspace PRO™ 9000 Series Mid-Back Multifunction Mesh Chair" and "Multifunction Mesh Chair with Headrest," which were sold through Office Depot locations nationwide and on the Internet at <http://www.OfficeDepot.com> for between \$300.00 and \$350.00.

5. The Chairs are "consumer products" and, at all times relevant hereto, Raynor was a "manufacturer" of these consumer products, which were "distributed in commerce," as those terms are defined or used in sections 3(a)(5), (8) and (11) of the CPSA, 15 U.S.C. § 2052(a)(5), (8) and (11).

6. The Chairs are defective because the bolts attaching the seatback to the base can loosen and detach, posing a fall and injury hazard to consumers.

7. Raynor received its first report of an incident involving a broken Chair in December of 2007.

8. By August of 2008, Raynor knew of approximately sixteen (16) reports of incidents involving bolts in the Chairs loosening and/or detaching, causing the seatback to come apart from the base. In at least four (4) of those incidents, the broken Chairs caused injury to consumers.

9. Despite being aware of the information set forth in Paragraphs six through eight, Raynor did not report to the Commission until April of 2009. By that time, Raynor was aware of at least twenty-eight (28) reports of incidents involving Chairs with bolt failures, which caused substantial physical injuries to at least eight (8) consumers. The Chairs were recalled in October of 2009.

10. Although Raynor had obtained sufficient information to reasonably support the conclusion that the Chairs contained a defect which could create a substantial product hazard, or created an unreasonable risk of serious injury or death, Raynor failed to immediately inform the Commission of such defect or risk as required by sections 15(b)(3) and (4) of the CPSA, 15 U.S.C. § 2064(b)(3) and (4). In failing to do so, Raynor knowingly violated section 19(a)(4) of the CPSA, 15 U.S.C. § 2068(a)(4) as the term “knowingly” is defined in section 20(d) of the CPSA, 15 U.S.C. § 2069(d).

11. Pursuant to section 20 of the CPSA, 15 U.S.C. § 2069, Raynor is subject to civil penalties for its failure to report as required under section 15(b) of the CPSA, 15 U.S.C. § 2064(b).

RESPONSE OF RAYNOR MARKETING, LTD.

12. Raynor denies the allegations of the Staff that the Chairs contain a defect which could create a substantial product hazard or create an unreasonable risk of serious injury or death, and denies that it violated the reporting requirements of Section 15(b) of the CPSA, 15 U.S.C. § 2064(b).

AGREEMENT OF THE PARTIES

13. Under the CPSA, the Commission has jurisdiction over this matter and over Raynor.

14. In settlement of the Staff’s allegations, Raynor shall pay a civil penalty in the amount of three hundred ninety thousand dollars (\$390,000.00) within twenty (20) calendar days of receiving service of the Commission’s final Order accepting the Agreement. The payment shall be made by check payable to the order of the United States Treasury.

15. The parties enter into this Agreement for settlement purposes only. The Agreement does not constitute an admission by Raynor or a determination by the Commission that Raynor violated the CPSA's reporting requirements.

16. Upon provisional acceptance of the Agreement by the Commission, the Agreement shall be placed on the public record and published in the *Federal Register* in accordance with the procedures set forth in 16 C.F.R. § 1118.20(e). If the Commission does not receive any written request not to accept the Agreement within fifteen (15) calendar days, the Agreement shall be deemed finally accepted on the 16th calendar day after the date it is published in the *Federal Register*, in accordance with 16 C.F.R. § 1118.20(f).

17. Upon the Commission's final acceptance of the Agreement and issuance of the final Order, Raynor knowingly, voluntarily and completely waives any rights it may have in this matter to the following: (i) an administrative or judicial hearing; (ii) judicial review or other challenge or contest of the Commission's actions; (iii) a determination by the Commission as to whether Raynor failed to comply with the CPSA and the underlying regulations; (iv) a statement of findings of fact and conclusions of law; and (v) any claims under the Equal Access to Justice Act.

18. The Commission may publicize the terms of the Agreement and the Order.

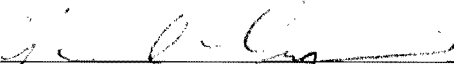
19. The Agreement and the Order shall apply to and be binding upon Raynor and each of its successors and/or assigns.

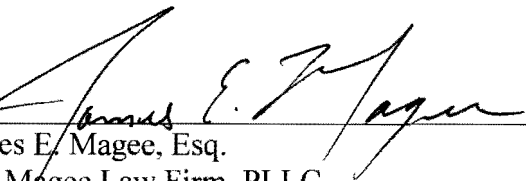
20. The Commission issues the Order under the provisions of the CPSA, and a violation of the Order may subject Raynor and each of its successors and assigns to appropriate legal action.

21. The Agreement may be used in interpreting the Order. Understandings, agreements, representations or interpretations apart from those contained in the Agreement and the Order may not be used to vary or contradict their terms. The Agreement shall not be waived, amended, modified or otherwise altered without written agreement thereto executed by the party against whom such waiver, amendment, modification or alteration is sought to be enforced.

22. If any provision of the Agreement and the Order is held to be illegal, invalid or unenforceable under present or future laws effective during the terms of the Agreement and the Order, such provision shall be fully severable. The balance of the Agreement and the Order shall remain in full force and effect, unless the Commission and Raynor agree that severing the provision materially affects the purpose of the Agreement and Order.

RAYNOR MARKETING, LTD.

Dated: DECEMBER 16, 2010 By: 
Norman A. Lampert, Chief Executive Officer
Raynor Marketing, Ltd.
525 Hempstead Turnpike
West Hempstead, NY 11552

Dated: December 20, 2010 By: 
James E. Magee, Esq.
The Magee Law Firm, PLLC
6845 Elm Street, Suite 205
McLean, VA 22101
Counsel for Raynor Marketing, Ltd.

U.S. CONSUMER PRODUCT SAFETY
COMMISSION STAFF

Cheryl A. Falvey
General Counsel

Dated: 1/28/11

By: Kelly M. Moore
Kelly M. Moore, Trial Attorney
Division of Compliance
Office of the General Counsel

**UNITED STATES OF AMERICA
CONSUMER PRODUCT SAFETY COMMISSION**

In the matter of:

RAYNOR MARKETING, LTD.

CPSC Docket No.: 11-C0003

ORDER

Upon consideration of the Settlement Agreement entered into between Raynor Marketing, Ltd. ("Raynor"), and the U.S. Consumer Product Safety Commission ("Commission") staff, and the Commission having jurisdiction over the subject matter and over Raynor, and it appearing that the Settlement Agreement and the Order are in the public interest, it is

ORDERED that the Settlement agreement be, and hereby is, accepted; and it is

FURTHER ORDERED that Raynor shall pay a civil penalty in the amount of three hundred ninety thousand dollars (\$390,000.00) within twenty (20) days of service of the Commission's final Order accepting the Settlement Agreement. The payment shall be made by check payable to the order of the U.S. Treasury. Upon the failure of Raynor to make the foregoing payment when due, interest on the unpaid amount shall accrue and be paid by Raynor at the federal legal rate of interest set forth at 28 U.S.C. § 1961(a) and (b).

(continued on next page)

Provisionally accepted and provisional Order issued on the 28th day of January 2011.

BY ORDER OF THE COMMISSION:

A handwritten signature in black ink, appearing to read "Todd A. Stevenson", written over a horizontal line.

Todd A. Stevenson, Secretary
U.S. Consumer Product Safety Commission